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Department of Finance

News Release

Immediate release

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Release of *The Fiscal Monitor*

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for September 2006.

Highlights

September 2006: budgetary deficit of $1.4 billion

There was a budgetary deficit of $1.4 billion in September 2006, compared to a $0.2-billion surplus in September 2005. Revenues increased by $0.3 billion, or 2.0 per cent, driven by strong growth in income tax revenues, partially offset by a drop in goods and services tax (GST) revenues, reflecting the cut to the GST rate on July 1, 2006. Program expenses increased by $1.8 billion, or 13.2 per cent, reflecting increases in transfer payments and departmental operating expenses. Public debt charges were up $72 million.

April to September 2006: budgetary surplus of $5.3 billion

For the first six months of the 2006–07 fiscal year, the budgetary surplus is estimated at $5.3 billion, up $0.4 billion from the $4.9-billion surplus posted in the same period of 2005–06. Revenues were up $5.6 billion, or 5.3 per cent, driven by strong growth in income tax revenues, slightly offset by declines in excise taxes and employment insurance premium revenues. Program expenses were up $5.0 billion, or 6.1 per cent, due to both higher transfers and other program expenses. Public debt charges were up $0.2 billion.

In keeping with the 2006 budget commitment to provide quarterly updates of the fiscal forecast for the current year, an updated forecast will be published in *The Economic and Fiscal Update*.

The Fiscal Monitor is a monthly document that provides highlights of the federal government's fiscal performance, including monthly revenues, expenses, the budgetary balance and the financial source/requirement.

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